



Labour Market Bulletin

Alberta

June 2016



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Alberta, including the regions of Calgary, Edmonton, Central Alberta and Mountain Parks, Southern Alberta, and Northern Alberta.

OVERVIEW

In the second quarter of 2016, Alberta's labour market experienced its worst performance since the height of the 2008-2009 recession. There were 24,400 (-1.1%) fewer people working in the province than during the previous quarter and 47,600 (-2.1%) less than the same period last year.

On both a quarterly and annual basis, significantly lower full-time employment was only partially offset by gains in the number of part-time positions. Looking at classes of workers, self-employment declined markedly (-10,500) on the quarter, while losses also mounted in both the public (-7,800) and private (-6,100) sectors.

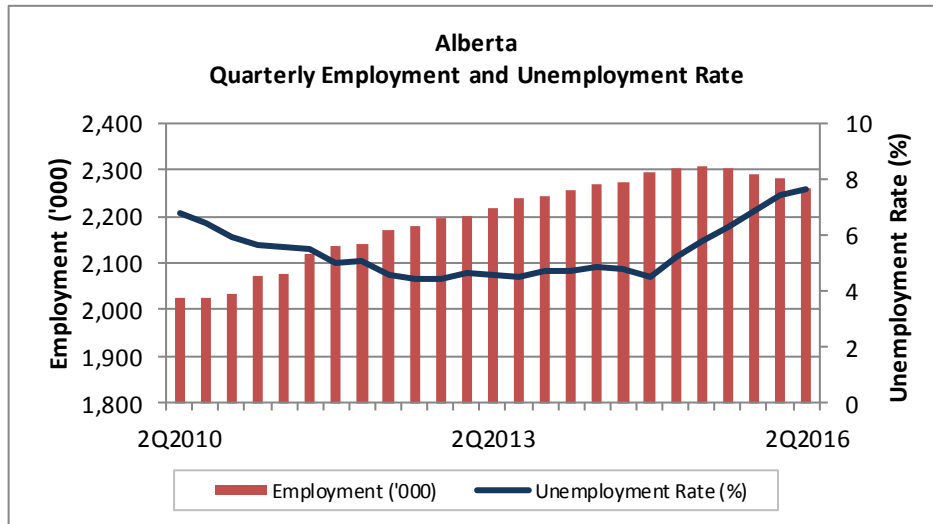
Alberta's worsening labour market performance is not unexpected, given the impact of low oil prices. According to the Conference Board of Canada, the province will experience a second consecutive year of recession and weaker employment conditions in 2016.¹

Alberta Quarterly Labour Force Statistics

Seasonally Adjusted Data	2nd Quarter 2016	1st Quarter 2016	2nd Quarter 2015	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	3,396.0	3,385.6	3,346.0	10.4	0.3	50.0	1.5
Labour Force ('000)	2,445.6	2,466.9	2,447.4	-21.3	-0.9	-1.8	-0.1
Employment ('000)	2,258.9	2,283.3	2,306.5	-24.4	-1.1	-47.6	-2.1
Full-Time ('000)	1,843.5	1,870.5	1,913.7	-27.0	-1.4	-70.2	-3.7
Part-Time ('000)	415.4	412.9	392.8	2.5	0.6	22.6	5.8
Unemployment ('000)	186.6	183.6	140.8	3.0	1.6	45.8	32.5
Unemployment Rate (%)	7.6	7.4	5.8	0.2	-	1.9	-
Participation Rate (%)	72.0	72.9	73.1	-0.9	-	-1.1	-
Employment Rate (%)	66.5	67.4	68.9	-0.9	-	-2.4	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087



Alberta Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2016 (%)	1st Quarter 2016 (%)	2nd Quarter 2015 (%)	Quarterly Variation (% points)	Yearly Variation (% points)
	Total	7.6	7.4	5.8	0.2
25 years and over	6.9	6.7	5.0	0.1	1.9
Men - 25 years and over	7.4	7.2	5.2	0.2	2.2
Women - 25 years and over	6.2	6.1	4.7	0.1	1.5
15 to 24 years	12.3	11.7	10.1	0.6	2.2
Men - 15 to 24 years	13.5	13.9	10.5	-0.4	3.0
Women - 15 to 24 years	10.9	9.1	9.6	1.8	1.3

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Alberta's unemployment rate edged up to 7.6% in the second quarter. This was the the highest provincial rate in the West and above the national average of 7.0%. According to the latest data, the number of individuals in the province receiving regular Employment Insurance continues to grow as well.²

Breaking down results for major demographic groupings, the largest unemployment rate increase (9.1% to 10.9%) occurred for young women. In contrast, the unemployment rate for young men declined (13.9% to 13.5%); however, this was the result of decreased labour market participation, rather than higher employment.

Unemployment rates for adults remained fairly stable, but the rate for men (7.4%) continued to be higher than that of women (6.2%). This trend emerged a year ago, as employment began to decline significantly in several male-dominated industries, such as resource extraction and manufacturing.

Alberta - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2016	Q2 2015	Number	%	Q2 2016	Q2 2015	Number	%
Population 15 + ('000)	158.3	150.7	7.6	5.0	3,237.7	3,195.3	42.4	1.3
Labour Force ('000)	113.4	108.5	4.9	4.5	2,345.6	2,352.1	-6.5	-0.3
Employment ('000)	97.0	97.1	-0.1	-0.1	2,164.3	2,216.7	-52.4	-2.4
Full-Time ('000)	73.7	84.6	-10.9	-12.9	1,767.2	1,836.6	-69.4	-3.8
Part-Time ('000)	23.4	12.5	10.9	87.2	397.2	380.1	17.1	4.5
Unemployment ('000)	16.4	11.4	5.0	43.9	181.2	135.4	45.8	33.8
Unemployment Rate (%)	14.4	10.5	3.9	-	7.7	5.8	1.9	-
Participation Rate (%)	71.6	72.0	-0.4	-	72.4	73.6	-1.2	-
Employment Rate (%)	61.3	64.5	-3.2	-	66.8	69.4	-2.6	-

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey – ESDC custom table

In the second quarter (Q2) of 2016, the total population aged 15+ in Alberta was nearly 3.4 million. The Indigenous population living off-reserve accounted for 4.7% of that, or 158,300 people. Employment among the Indigenous population stood at 97,000 representing a slight decline of -100 (-0.1%) from a year earlier. The decline was all in full-time positions (-10,900 or -12.9%), but this was offset by increases in part-time employment (+10,900 or +87.2%).

The unemployment rate among the Indigenous population was 14.4% in Q2 2016, representing an increase of +3.9 percentage points (pp) from the previous year. There was a smaller increase amongst the non-Indigenous population whose unemployment rate stood at 7.7% (+1.9pp) in Q2 2016. Between Q2 2015 and Q2 2016, the participation rate among the Indigenous population edged down to 71.6% (-0.4pp), and a slightly larger decline occurred amongst the non-Indigenous population whose participation rate stood at 72.4% (-1.2pp). The employment rate of both the Indigenous and non-Indigenous populations declined year-over-year to 61.3% (-3.2%) and 66.8% (-2.6pp), respectively.

EMPLOYMENT BY INDUSTRY

For the fifth consecutive quarter, employment decreased in Alberta's goods-producing sector (-30,400), while growth in the services-producing sector was fairly limited (+5,900).

Alberta Quarterly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation		Yearly Variation	
	2016	2016	2015	Number	%	Number	%
Total employed, all industries	2,258.9	2,283.3	2,306.5	-24.4	-1.1	-47.6	-2.1
Goods-producing sector	575.0	605.4	644.1	-30.4	-5.0	-69.1	-10.7
Agriculture	49.8	50.4	64.0	-0.6	-1.2	-14.2	-22.2
Forestry, fishing, mining, quarrying, oil and gas	132.9	151.1	160.6	-18.2	-12.0	-27.7	-17.2
Utilities	20.5	21.2	20.8	-0.7	-3.3	-0.3	-1.4
Construction	256.0	259.7	259.4	-3.7	-1.4	-3.4	-1.3
Manufacturing	115.8	122.9	139.2	-7.1	-5.8	-23.4	-16.8
Services-producing sector	1,683.9	1,678.0	1,662.4	5.9	0.4	21.5	1.3
Trade	330.5	329.2	317.0	1.3	0.4	13.5	4.3
Transportation and warehousing	130.6	129.6	143.6	1.0	0.8	-13.0	-9.1
Finance, insurance, real estate and leasing	108.1	108.0	104.0	0.1	0.1	4.1	3.9
Professional, scientific and technical services	179.8	180.8	171.0	-1.0	-0.6	8.8	5.1
Business, building and other support services	81.8	78.7	81.1	3.1	3.9	0.7	0.9
Educational services	147.5	147.3	137.5	0.2	0.1	10.0	7.3
Health care and social assistance	266.0	271.5	265.2	-5.5	-2.0	0.8	0.3
Information, culture and recreation	79.3	79.5	73.2	-0.2	-0.3	6.1	8.3
Accommodation and food services	143.0	137.4	155.8	5.6	4.1	-12.8	-8.2
Other services	121.7	120.5	120.6	1.2	1.0	1.1	0.9
Public administration	95.6	95.4	93.4	0.2	0.2	2.2	2.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

The province's resource extraction industry shed an estimated 18,200 positions this quarter, with most of these losses occurring in the oil and gas sub-sector. Employment in the overall industry is now at a six-year low. Oil prices trended upwards during the second quarter and remained near \$50 US per barrel through most of June.³ However, there are few indications that the provincial industry will fully rebound in the short-term. In fact, the Canadian Association of Petroleum Producers' recently downgraded its long-term growth forecast, citing slower expansion in the oil sands and transportation constraints.⁴

Looking at Alberta's other goods-producing industries, sizeable employment losses also occurred this quarter in both the manufacturing (-7,100) and construction (-3,700) industries. Meanwhile, agricultural employment remained fairly stable (-600), but still had one of the highest year-over-year declines of any industry (-14,200).

Turning to the services sector, modest employment gains occurred across most industries. In a positive development, the strongest employment growth occurred in accommodation and food services (+5,600) and business, building and other support services (+3,100)—reversing some of the heavy losses both industries incurred during the previous quarter.

In contrast, employment growth stalled in Alberta's public sector service industries. There were 5,500 fewer people working in Alberta's health care and social industry this quarter. Meanwhile, employment was largely unchanged in educational services (+200) and public administration (+200). The overall decline in public sector employment suggests that growth in these industries is cooling and less likely to offset private sector losses, as was the case last year.

REGIONAL ANALYSIS

Alberta Quarterly Labour Force Statistics, by Economic Region

Not Seasonally Adjusted Data	Employment			Unemployment Rate		
	2nd Quarter 2016 (^{'000})	2nd Quarter 2015 (^{'000})	Yearly Variation (%)	2nd Quarter 2016 (%)	2nd Quarter 2015 (%)	Yearly Variation (% points)
Alberta	2,263.9	2,315.7	-2.2	8.0	5.9	2.1
Economic Regions						
Lethbridge-Medicine Hat	149.6	148.6	0.7	7.3	4.1	3.2
Camrose-Drumheller	95.2	103.8	-8.3	8.1	3.6	4.5
Calgary	855.6	891.1	-4.0	8.5	6.1	2.4
Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River	178.9	195.1	-8.3	7.7	5.4	2.3
Red Deer	113.7	117.5	-3.2	9.3	7.0	2.3
Edmonton	789.5	773.7	2.0	7.3	6.2	1.1
Wood Buffalo-Cold Lake*	-	85.9	-	-	8.2	-

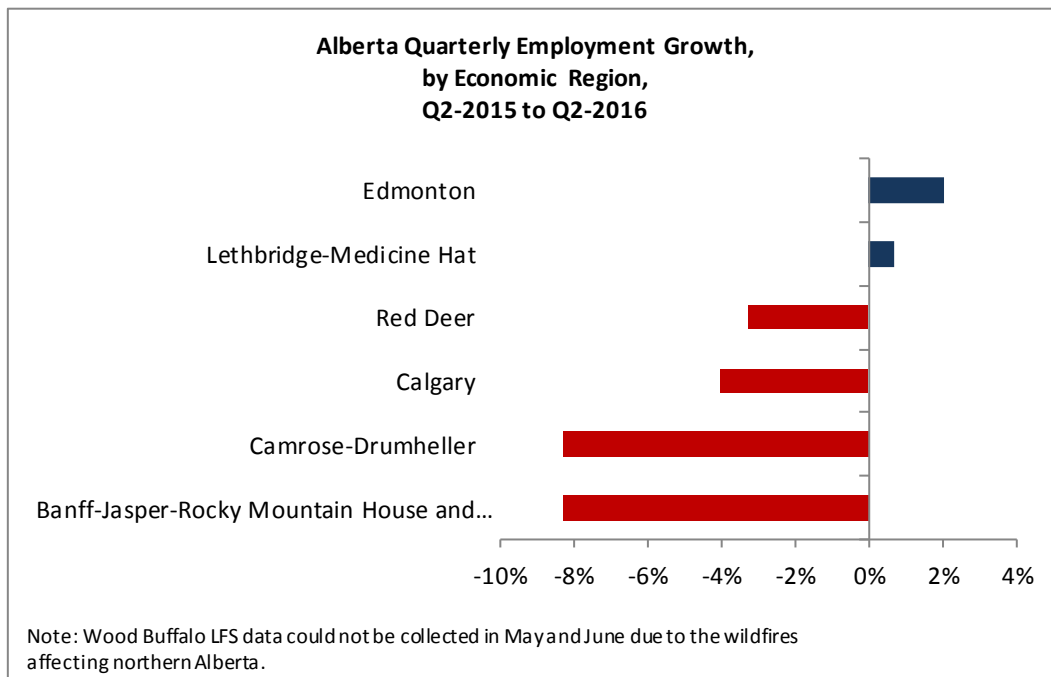
* Wood Buffalo LFS data could not be collected in May and June due to the wildfires affecting northern Alberta.

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

Over the past year, employment has decreased in most parts of Alberta, with the largest losses occurring in Calgary (-35,500) and the combined regions of Banff-Jasper-Rocky Mountain House and Athabasca-Grand Prairie-Peace River (-16,200). Moderate employment growth has continued in Edmonton (+15,800), along with small gains in Lethbridge-Medicine Hat (+1,000); however, these regions' labour markets also appear to be slowing, with their rates of annual growth falling by more than half since the previous quarter. Meanwhile, regional unemployment rates increased across the province.

Due to the Fort McMurray wildfire, Statistics Canada was unable to collect local data in both May and June. As a result, regional statistics for Wood Buffalo-Cold Lake will not be published this quarter. Most residents and businesses were cleared to return to Fort McMurray in late May, but the fire damage continues to limit access to some parts of the city. Approximately 2,400 buildings were destroyed and insured damages are forecast to hit \$3.58 billion.⁵ As a cautionary measure, oil sands production was halted at a number of nearby facilities. Normal operations have resumed at most of these sites, but roughly 30 million barrels of production worth \$1.6 billion has been lost.⁶ Wood Buffalo-Cold Lake's labour market is likely to experience additional pressures due to the disruption and recovery efforts. Prior to the fire, the region had the highest unemployment rate in the West.



Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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¹ The Conference Board's latest forecast shows Alberta's employment declining 1.2% in 2016, wiping out the average gains from last year. However, employment losses during the second quarter were higher than projected, suggesting that the province may post an even larger decrease this year.

Conference Board of Canada (June 28, 2016). Provincial Outlook Economic Forecast for Alberta: Spring 2016. Retrieved from: <http://www.conferenceboard.ca/e-library/abstract.aspx?did=8136> (subscription required)

² In April 2016, there were 67,860 regular beneficiaries in the province (seasonally adjusted), up 1.2% from the previous month and 52.2% year over year.

Statistics Canada. (June 2016). CANSIM 276-0022. Employment Insurance program (EI), beneficiaries receiving regular income benefits by province, declared earnings, sex and age, seasonally adjusted. Retrieved from:

<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2760022>

³ Nasdaq. (July 2016). Crude Oil: WTI (NYMEX). Retrieved from: <http://www.nasdaq.com/markets/crude-oil.aspx>

⁴ Canadian Association of Petroleum Producers (June 2016). 2016 Crude Oil Forecast, Markets & Transportation. Retrieved from: <http://www.capp.ca/publications-and-statistics/publications/284950>

⁵ McDermott, Vincent. (July 7, 2016). At \$3.58 billion, 'horrific' Fort McMurray fire costliest for insurers in Canadian history. Fort McMurray Today. Retrieved from: <http://www.fortmcmurraytoday.com/2016/07/07/at-358-billion-horrific-fort-mcmurray-wildfire-costliest-in-canadian-history>

⁶ Healing, Dan. (July 7, 2016). Oilsands companies not expected to make insurance claims from Fort McMurray fire. Calgary Herald. Retrieved from:

<http://www.calgaryherald.com/business/oilsands+companies+expected+make+insurance+claims+from+fort+mcmurray/12045820/story.html>